

first comprehensive, Government-wide Performance Plan.

In developing this budget, the Administration for the first time could rely on performance measures and annual performance goals that are now included in agency Annual Performance Plans. We have made a good start on the process that the Administration and Congress outlined in enacting the 1993 law.

As we continue to implement this law, my Administration will focus more and more attention on how programs work, whether they are meeting their goals, and what we should do to make them better. We look forward to working with Congress on our shared goal of improving Government performance.

WILLIAM J. CLINTON.
THE WHITE HOUSE, February 2, 1998.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. ALLARD (for himself and Mr. BREAU):

S. 1593. A bill to amend the Controlled Substances Act and the Controlled Substances Import and Export Act with respect to penalties for powder cocaine and crack cocaine offenses; to the Committee on the Judiciary.

By Mr. BENNETT:

S. 1594. A bill to amend the Bank Protection Act of 1968 for purposes of facilitating the use of electronic authentication techniques by financial institutions, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. FRIST (for himself, Mr. BOND, Mr. GREGG, Mr. LOTT, Mrs. HUTCHISON, and Mr. LUGAR):

S. 1595. A bill to provide for the establishment of a Commission to Promote a National Dialogue on Bioethics.

By Mr. COVERDELL:

S. 1596. A bill to provide for reading excellence; to the Committee on Labor and Human Resources.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. SPECTER:

S. Res. 171. A resolution designating March 25, 1998, as "Greek Independence Day: A National Day of Celebration of Greek and American Democracy"; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. BENNETT:

S. 1594. A bill to amend the Bank Protection Act of 1968 for purposes of facilitating the use of electronic authentication techniques by financial institutions, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

THE DIGITAL SIGNATURE AND ELECTRONIC AUTHENTICATION LAW OF 1998

Mr. BENNETT. Mr. President, I rise today to introduce the Digital Signa-

ture and Electronic Authentication Law (SEAL) of 1998.

We Americans place such trust in the act of signing a document that we traditionally have referred to the written signature as a "John Hancock" after one of the first signers of the Declaration of Independence and one of our country's founding fathers. As the country moves into the 21st century and into the digital age, it is necessary for the government to validate the use of equally trustworthy forms of authentication for electronic transactions. In doing this, our country will secure its position as a leader in the international digital economy.

Electronic authentication, broadly defined, is any technology which provides a way for the recipient of a message to verify the identity of the sender, make sure the message was not altered in transit, and confirm that the message was the one the sender intended to transmit. Parties to electronic transactions must have access to this authentication process in order to feel secure in conducting business over open networks.

While this concept is fairly simple, the legislative process has proven quite complex. Many states have enacted legislation on electronic authentication, but the state laws are vastly different. Because electronic transactions do not respect state or national boundaries, there are no clear rules to govern this activity. This lack of direction has limited the use of electronic authentication. The process is further complicated by the number of competing technologies available to provide authentication as well as the fact that businesses from all different sectors of the economy seek to use and offer authentication services.

As Chairman of the Banking Committee's Subcommittee on Financial Services and Technology, I have examined this issue and have determined that the appropriate first step toward addressing it is to introduce a firmly grounded, free-market bill that addresses the concerns of financial institutions. In introducing this bill, I do not want to suggest that this authority should belong exclusively to that group. I have stated repeatedly my belief that all entities, banks and nonbanks alike, should be authorized to use electronic authentication for their own transactions and offer the service to third parties. In attempting to fashion a bill that would appropriately address the needs and concerns of all interested groups, however, I have reached an impasse. My attempts to reach out and engage those representing nonbank interests in serious discussions have failed. I have determined, therefore, that it is appropriate for me to take a first step and introduce this bill to address the needs of financial institutions.

While I do not intend to create a monopoly for banks, and indeed hope that this legislation can be amended to include other entities, I do recognize that

there are valid reasons why we may choose to address the concerns of financial institutions separately.

Financial institutions are accustomed to assuming "trusted third party" roles, including serving as trustee and offering notary and signature guarantee services. Offering electronic authentication services is the functional equivalent of those traditional bank activities.

Financial institutions are highly regulated entities, and the financial institution regulators have experience in supervising these "trusted third party" activities.

Many of the transactions which individuals and businesses will seek to authenticate are likely to be financial transactions.

In Europe and other countries around the world, electronic authentication activities are conducted almost exclusively by financial institutions. By taking a first step and authorizing our financial institutions to use electronic authentication, we will strengthen our position in establishing the conditions for international transactions.

The Digital SEAL Bill is, as I have described it, a minimalist, free-market bill. It provides quite simply that a financial institution may use electronic authentication in the conduct of its business and that the use of such electronic authentication shall be valid. A financial institution's use of electronic authentication shall be governed by the rules of the system or agreement under which it operates and shall be regulated by the appropriate financial institution regulator. The bill defines electronic authentication broadly in an effort to be as technologically neutral as possible.

Of equal importance is what this bill does not do. It does not create a new regulatory bureaucracy to supervise this activity. It does not impair consumers' rights under the Truth in Lending Act, the Electronic Fund Transfer Act, or any state law of similar purpose. Finally, it does not limit, in any way, the ability of any other entity to use or offer electronic authentication in the course of its business.

The time has come for Congress to begin a serious discussion of the impact of technology on commercial transactions and consider how age-old concepts, like the importance of a signature, will fit into an increasingly electronic world. Electronic authentication is a good starting point for this discussion, and passage of this bill will advance the development of electronic banking and commerce.

I look forward to working with my colleagues to enact this legislation to give financial institutions, and appropriate other entities, the authority to use electronic authentication.

By Mr. FRIST (for himself, Mr. BOND, Mr. GREGG, Mr. LOTT, Mrs. HUTCHISON, and Mr. LUGAR):

S. 1595. A bill to provide for the establishment of a Commission to Promote a National Dialogue on Bioethics.